

YES Bank returns Rs 50,000 cr special funding to RBI way ahead of due date

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RBI had extended special funding support as a part of restructuring scheme to rescue the ailing bank

Abhijit Lele | Mumbai

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Chairman Sunil Mehta said the bank repaid the SLF well before due date

Private sector lender YES Bank repaid Rs 50,000 crore it took under Reserve Bank's special liquidity facility (SLF) on September 8, well before the due date. Bank Chairman Sunil Mehta, in his address to shareholders at the bank's annual general meeting (AGM), said the bank could do so because it received strong customer liquidity inflows.

RBI had extended special funding support as a part of restructuring scheme to rescue the then ailing bank.

CRISIL has upgraded rating on the bank's certificates of deposit (CD) from "A2" to "A2+" due to the improvement in the funding and liquidity profile of the bank. This has been possible due to gradual increase in its deposit base as well as sizeable capital raised recently.

The bank's liquidity coverage ratio (LCR) has also improved in the recent months. LCR improved to 114.1 per cent as of June 30 from 37.0 per cent as of March 31. Going by RBI norms, a bank has to maintain minimum LCR of 80 per cent.

Total deposits increased to Rs 1.17 trillion (including current deposits) as of June 30 from Rs 1.05 trillion as of March 31.

Mehta said the bank successfully raised equity funding of Rs 15,000 crore through follow-on public offering (FPO) in July, within four months of the restructuring scheme, amidst challenging market conditions.

This demonstrates strong confidence of institutional and retail investors in the bank's restructuring plan, action taken, road map and its professional management under the new leadership, he said.

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